



## **Request for City Council Committee Action From the Department of Public Works**

**Date:** September 16, 2003  
**To:** Honorable Sandra Colvin Roy, Chair, Transportation & Public Works Committee  
**Referral to:** Honorable Barbara Johnson, Chair, Ways & Means Committee

**Subject:** **Assessment of Areaway Abandonment Costs at 727(Teener's Theatrical Store) and 731 (Shinder's News Store) Hennepin Avenue in the Hennepin Theater District Streetscape Project No. 2221**

### **Recommendation:**

1. Receive and accept the petition from the property owners, Eugene Heck, Connie Samovitz, Hyman Paisner, Sheila Paisner, Alvin S. Zelickson and Sue Zelickson. Increase funding appropriation to Fund 4100-937-9372-8015 for the cost of abandoning the areaway by \$160,000, which is to be reimbursed by special assessment Fund 4100-937-9372-3910 by \$160,000. Direct the appropriate City staff to contract for the work and make payment to the contractor on the recommendation of the City Engineer or her delegate upon satisfactory completion of work.
2. Passage of a Resolution requesting the Board of Estimate and Taxation to issue and sell assessment bonds in the amount of \$160,000.

### **Previous Directives:**

- Resolution 2002R-172, passed May 17, 2002, ordering the City Engineer to abandon and remove the areaways located in the public street right-of-way that are in conflict with the paving and streetscape projects in the Hennepin Theater District Streetscape Renovation and Street Lighting Project area.

**Prepared by:** Jack Yuzna P. E., Engineering Services, 673-2415

**Approved by:** \_\_\_\_\_  
Klara A. Fabry, P. E., City Engineer, Director of Public Works

**Presenters:** Jack Yuzna, P.E., Engineer III, Engineering Services

### **Financial Impact** (Check those that apply)

- ☐ No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- ☐ Action requires an appropriation increase to the Capital Budget
- ☐ Action requires an appropriation increase to the Operating Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☒ Other financial impact (Explain): Special Assessment against the benefited properties.
- ☐ Request provided to the Budget Office when provided to the Committee Coordinator

**Background/Supporting Information:**

During the development of the Hennepin Theatre District Streetscape Project, it was believed that the streetscape work might require the modification or abandonment of some areaways. It has been determined that the areaways at 727 Hennepin Ave (Property ID 22-029-24-43-0082) and 731 Hennepin Ave (Property ID 22-029-24-43-0081) are in conflict with the project.

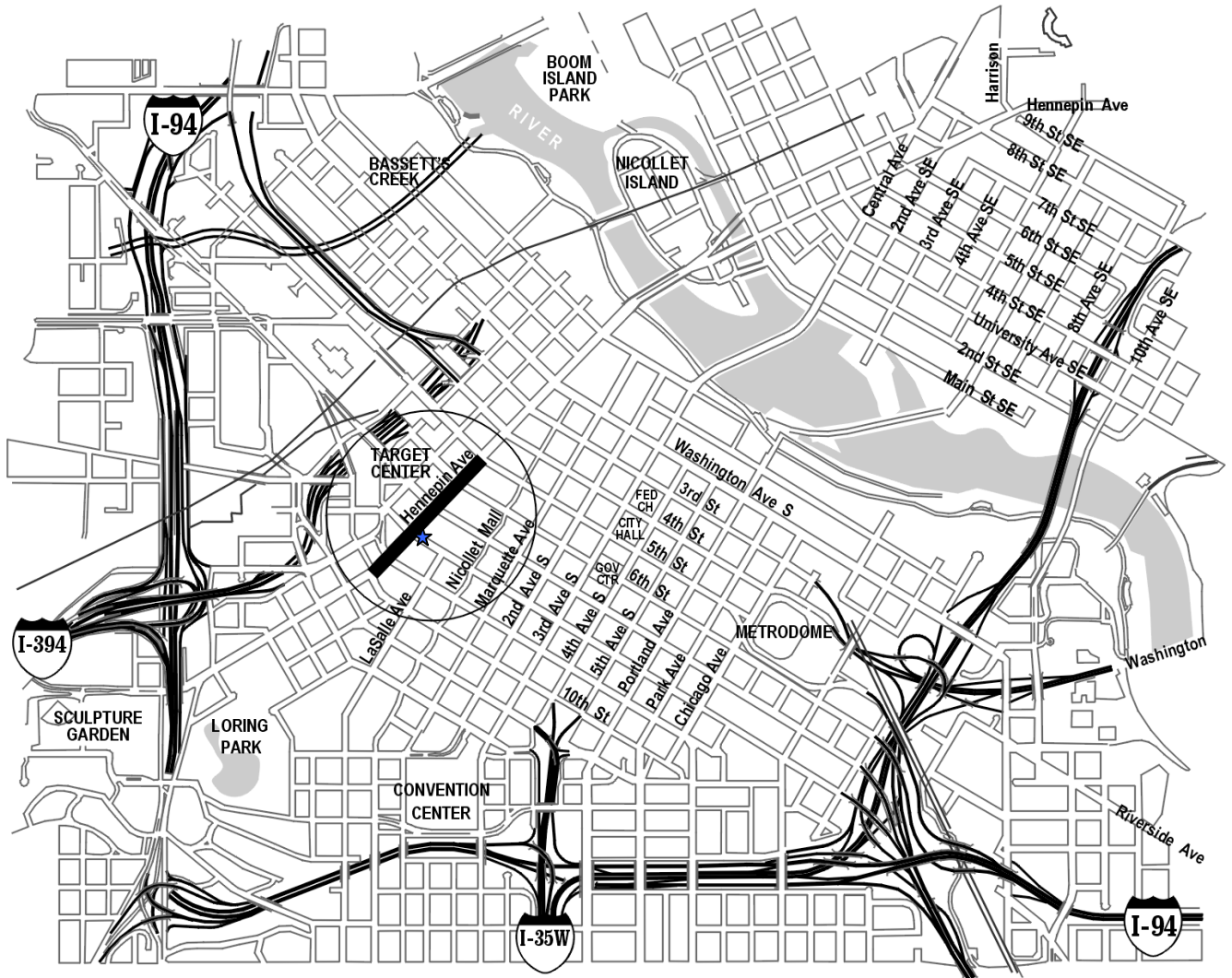
After reviewing their options, the property owners have petitioned the City to allow the areaways to be partially abandoned. The property owners have further requested that the properties be assessed the cost of the areaways' design, partial abandonment and construction administration. After reviewing the request, Public Works is in agreement with the property owners and believes the public's interest would be best served by accepting the petition. Both the partial abandonment and assessment of the areaway, as proposed by the owners, are permitted by the City's Areaway Ordinance. The property owners have received an engineer's estimate for the structural work related to the partial removal of both areaways in the amount of \$90,000. This estimate did not include the relocation of the building's gas, electric, and water service relocations. Recent areaway abandonment estimates having similar scope of work have been in the range of \$75,000 to \$100,000. The department cannot provide an accurate estimate until a design has been completed. However, it is believed that the final cost will be closer to the \$75,000 range for both areaways. The cost of the design and construction administration is estimated to be \$5,000 for each areaway. The final assessment to the properties will be for the total actual costs for all work associated with the partial abandonment of the areaways.

Attachment 1 - Location Map

Attachment 2 - Property Owners Petition (dated August 19, 2003)

cc: Council Member Lisa Goodman, Ward 7

ATTACHMENT #1  
**Hennepin Ave Streetscape**  
5th to 10th Sts



— Project

August 19, 2003

The Honorable Sandra Colvin Roy, Chair  
Transportation and Public Works Committee

The Honorable Barbara Johnson, Chair  
Ways and Means Committee

Re: Petition for Assessment of Areaway Abandonment Costs  
at 727 Hennepin Avenue (formerly Teener's Theatrical Store) and  
at 731 Hennepin Avenue (Shinder's News Store)

Dear Council Members Colvin Roy and Johnson:

As the owners of the properties described below, we do hereby petition the City of Minneapolis City Council, in accordance with Hennepin Theatre District Streetscape Revitalization Project hearing held on May 9, 2002, and propose the following for your consideration:

1. That having received an engineer's estimate to partially abandon the areaways that encroach into the Hennepin Avenue right-of-way adjoining the properties, in the amount of \$90,000.00;
2. That the scope of work will include the relocation and/or removal of utilities within the areaways whose cost has not been determined at this time;
3. That the amount to be assessed include the design, construction and administration of work to be performed;
4. That the City's areaway ordinance provides to property owners the opportunity to have the cost of areaway abandonment assessed against the property;
5. That the property owners do hereby request the City of Minneapolis to specially assess all cost of the above-described work to the properties listed below. That the total amount to be specially assessed as principal shall be for the actual amount. That the total amount of special assessment principal be divided and applied one-third to 727 Hennepin and two-thirds to 731 Hennepin, the two properties described below. That the assessments be collected on the real estate tax statement over a period of twenty (20) years in twenty (20) equal annual principal installments. That the interest be charged on the declining principal balance at the same rate as bonds sold by the City of Minneapolis. That the interest rate be constant over the twenty (20) year period.

6. That the undersigned property owners do hereby waive the right to appeal the special assessment.

Sincerely,

Property Owners: <sup>10</sup> Eugene L. Heck +  
Eugene L. Heck

Connie Samovitz  
Connie Samovitz

Hyman Paisner  
Hyman Paisner

Sheila Paisner  
Sheila Paisner

Alvin S. Zelickson  
Alvin S. Zelickson

Sue Zelickson  
Sue Zelickson

727 Hennpin Avenue

Property Identification Number:

22-029-24-43 0082

Property Legal Description:

the Southwesterly one-half (SW ½) of Lot 2, Block 223 Hoag and Bell's Addition to Minneapolis, according to the map or plat thereof on file or of record in the Office of the Register of Deeds in and for Hennepin County, Minnesota

731 Hennpin Avenue

Property Identification Number:

22-029-24-43 0081

Property Legal Description:

All of Lot 1, Block 223 Hoag and Bell's Addition to Minneapolis, and also that part of Lot 16, Block 223, Wells, Sampson's and Bell's Addition to Minneapolis which lies West of the alley in said Block 223 extended Southwesterly through said Lot; also that part, now vacated 8th Street lying between said Lot 1 and an extension Northwesterly of the Southwesterly line of said Lot 16 and an extension Southwesterly of the Northwesterly line of said Lot 1.